

# Mineral Industry Surveys

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## LEAD IN FEBRUARY 2005

Domestic mine production, based on the net quantity of lead recovered from concentrate, was 31,000 metric tons (t) in February, according to the U.S. Geological Survey. This was an increase of about 10% compared with production in January 2005 and a decrease of 5% compared with that of February 2004. Secondary refinery production (95,100 t) and reported consumption (113,000 t) decreased nominally from values of the previous month. When compared with that of February 2004, secondary production was up by 1% and reported consumption decreased by about 2%.

According to Platts Metals Week published quotations, the average North American producer price increased slightly from that of the previous month to 60.73 cents per pound. The average London Metal Exchange Ltd. (LME) cash price rose to \$977.03 per metric ton, about a 3% increase compared with the January price. These were up by about 23% and 10%, respectively, when compared with February 2004 averages. The LME February prices ranged from a low of \$946.50 per metric ton (February 11) to a high of \$1,013.00 per metric ton (February 22); the lead price closed above \$1,000 on 5 days during the month. During February, LME lead stocks dropped by 1,575 t to 33,625 t.

Demand for lead in North America continued to be strong and supported a producer's premium of 6¢ to 7¢ a pound. Consumers reportedly found less material offered on the spot market and at higher premia. In Northern and Eastern Europe, cold temperatures from mid-February into early March resulted in an increase in battery demand. Lead consumers in Europe however, did not appear to be overly concerned about limited future supply—scrap battery prices moved up only slightly (CRU International Ltd., 2005).

China's GDP grew by more than 7% per year between 1999 and 2004, averaging 9.3% and 9.5%, respectively, in 2003 and 2004. The Beijing Antaika Information Development Co., Ltd. (Antaika, 2005) predicted that this trend would continue in 2005, along with a continued rise in lead production and consumption. Antaika predicted that in 2005, production of

refined lead in China would be 2.04 million metric tons (Mt), an increase of 16.6% over that of 2004; lead consumption would be 1.51 Mt an increase of 10%; and imports of lead concentrates would be 1.02 Mt an increase of 22.7%.

North American shipments of lead acid starting-lighting-ignition (SLI) replacement batteries in December were about 8 million batteries, up slightly (0.2%) from that in November. Original equipment SLI battery shipments in December were about 1.6 million batteries, up 2.6% when compared with that in November. In 2004, replacement and original equipment SLI battery shipments rose to 90 million (up 2.4% from those of 2003) and 21 million (up 5.9% from those of 2003), respectively (Platts Metals Week, 2005).

Exide Technologies' fiscal third quarter 2005 (ending December 31, 2004) net loss rose to \$439 million, compared with a third quarter fiscal 2004 net loss of \$9.3 million. Exide's third quarter results included a non-cash goodwill impairment charge of \$399.4 million. Consolidated net sales for the third quarter rose 11.5% (when compared to the third quarter 2004) to \$727.9 million (Ryan's Notes, 2005).

The National Defense Stockpile aggregated cash disposal (sale) of lead in February, under the monthly Basic Ordering Agreement DLA-Lead-005, was 1,220 t (1,344 short tons), with an approximate value of \$1.2 million (Defense National Stockpile Center, 2005).

## References Cited

- Antaika, 2005, Market Commentary—Lead in 2004: Antaika, China Metal Market – Lead & Zinc, Tin Monthly, no. 100, February, p. 1-4.  
CRU International Ltd., 2005, CRU Monitor—Lead: CRU International Ltd., February, 12 p.  
Defense National Stockpile Center, 2005, Stockpile announces lead sales for February 2005: Fort Belvoir, VA, Defense National Stockpile Center news release, March 7, 1 p.  
Platts Metals Week, 2005, December battery shipments steady—BCI: Platts Metals Week, v. 76, no. 8, February 21, p. 9-10.  
Ryan's Notes, 2005, Exide writes off all goodwill: Ryan's Notes, v. 11, no. 8, February 21, p. 6.

TABLE 1  
SALIENT LEAD STATISTICS IN THE UNITED STATES<sup>1</sup>

(Metric tons, lead content, unless otherwise specified)

	2004		2005		
	Year	January - February	January	February	January - February
Production:					
Mine (recoverable)	429,000	68,200 <sup>r</sup>	28,200	31,000	59,200
Primary refinery	NA	NA	NA	NA	NA
Secondary refinery:					
Reported by smelters/refineries	1,120,000	182,000	93,300	92,900	186,000
Estimated	11,300	1,840	942	938	1,880
Recovered from copper-base scrap <sup>c</sup>	15,000	2,500	1,250	1,250	2,500
Total secondary	1,140,000	186,000	95,500	95,100	191,000
Stocks, end of period:					
Primary refineries	NA	NA	NA	NA	NA
Secondary smelters and consumers	66,100 <sup>r</sup>	70,900 <sup>r</sup>	66,500	66,600	66,600
Imports for consumption:					
Ore and concentrate	3	--	--	NA	-- <sup>2</sup>
Refined metal	197,000 <sup>r</sup>	27,500	18,500	NA	18,500 <sup>2</sup>
Consumption:					
Reported	1,370,000	229,000 <sup>r</sup>	114,000	113,000	227,000
Undistributed <sup>c</sup>	42,300	7,090 <sup>r</sup>	3,520	3,500	7,020
Total	1,410,000	236,000 <sup>r</sup>	117,000	117,000	234,000
Exports:					
Ore and concentrate	292,000 <sup>r</sup>	16,400	12,300	NA	12,300 <sup>2</sup>
Bullion	129 <sup>r</sup>	8	24	NA	24 <sup>2</sup>
Wrought and unwrought lead	82,400 <sup>r</sup>	24,500	7,330	NA	7,330 <sup>2</sup>
TEL/TML preparations, based on lead compounds	1,020 <sup>r</sup>	60	117	NA	117 <sup>2</sup>
Exports (gross weight): Scrap	56,300 <sup>r</sup>	10,200	4,410	NA	4,410 <sup>2</sup>
Platts Metals Week North American producer price (cents per pound)	55.14	48.14	60.66	60.73	60.70

<sup>c</sup>Estimated. <sup>r</sup>Revised. NA Not available. -- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits, except prices; may not add to totals shown.

<sup>2</sup>Includes data for January only; February data were not available at time of publication.

TABLE 2  
MONTHLY AVERAGE LEAD PRICES

	North American producer price cents/lb	LME		Sterling exchange rate dollars/£
		\$/metric ton	£/metric ton	
2004:				
February	49.86 <sup>r</sup>	887.99	475.54	1.867295
November	60.70	967.26	519.84	1.860680
December	60.73	974.39	505.22	1.928639
Year	55.14	885.95	483.26	1.832475
2005:				
January	60.66	952.38	506.66	1.879725
February	60.73	977.03	517.74	1.887105

<sup>r</sup>Revised.

Source: Platts Metals Week.

TABLE 3  
CONSUMPTION OF PURCHASED LEAD-BASE SCRAP<sup>1</sup>

(Metric tons, gross weight)

Item	Stocks January 31, 2005	Net receipts	Consumption	Stocks February 28, 2005
Battery-lead	12,700	94,200	95,100	11,800
Soft lead	W	W	W	W
Drosses and residues	1,840	1,500	1,500	1,830
Other <sup>2</sup>	1,260	1,760	1,640	1,380
Total	15,800	97,500	98,300	15,000
Percent change from preceding month	XX	-3.0	-1.8	-5.0

W Withheld to avoid disclosing company proprietary data; included with "Other." XX Not applicable.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes solder, common babbitt, antimonial lead, cable covering, type metals, and other lead-base scrap not elsewhere classified.

TABLE 4  
LEAD, TIN, AND ANTIMONY RECOVERED FROM  
LEAD-BASE SCRAP IN FEBRUARY 2005<sup>1</sup>

(Metric tons)

Product recovered	Secondary metal content		
	Lead	Tin	Antimony
Soft and calcium lead	68,500	--	--
Remelt lead	W	W	W
Antimonial lead	23,900	W	W
Other <sup>2</sup>	W	W	--
Total lead-base	92,900	40	346

W Withheld to avoid disclosing company proprietary data; included in "Total."  
-- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Includes cable lead, lead-base babbitt, solder, type metals, and other products.

TABLE 5  
CONSUMPTION OF LEAD IN THE UNITED STATES<sup>1</sup>

(Metric tons, lead content)

Use	2004		2005		
	January - December	January - February	January	February	January - February
Metal products:					
Ammunition, shot and bullets	51,000 <sup>r</sup>	9,860	3,850	3,820	7,670
Brass and bronze, billet and ingots	3,150 <sup>r</sup>	668	194	194	388
Cable covering, power and communication and cabling lead, building construction	4,270	725	484	517	1,000
Casting metals	33,400	5,550	2,780	2,780	5,560
Sheet lead, pipes, traps and other extruded products	24,000	3,780 <sup>r</sup>	2,210	2,000	4,210
Solder	1,460	250 <sup>r</sup>	111	103	214
Storage batteries, including oxides	1,170,000	195,000	97,100	96,800	194,000
Terne metal, type metal, and other metal products <sup>2</sup>	15,400 <sup>r</sup>	2,540	1,260	1,260	2,530
Total metal products	1,300,000	219,000	108,000	107,000	215,000
Other oxides and miscellaneous	67,500 <sup>r</sup>	10,500 <sup>r</sup>	5,770 <sup>r</sup>	5,640	11,400
Total reported	1,370,000	229,000 <sup>r</sup>	114,000	113,000	227,000
Undistributed <sup>c</sup>	42,300	7,090 <sup>r</sup>	3,520 <sup>r</sup>	3,500	7,020
Grand total	1,410,000	236,000 <sup>r</sup>	117,000	117,000	234,000

<sup>c</sup>Estimated. <sup>r</sup>Revised.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes lead consumed in foil, collapsible tubes, annealing, plating, galvanizing, and fishing weights.

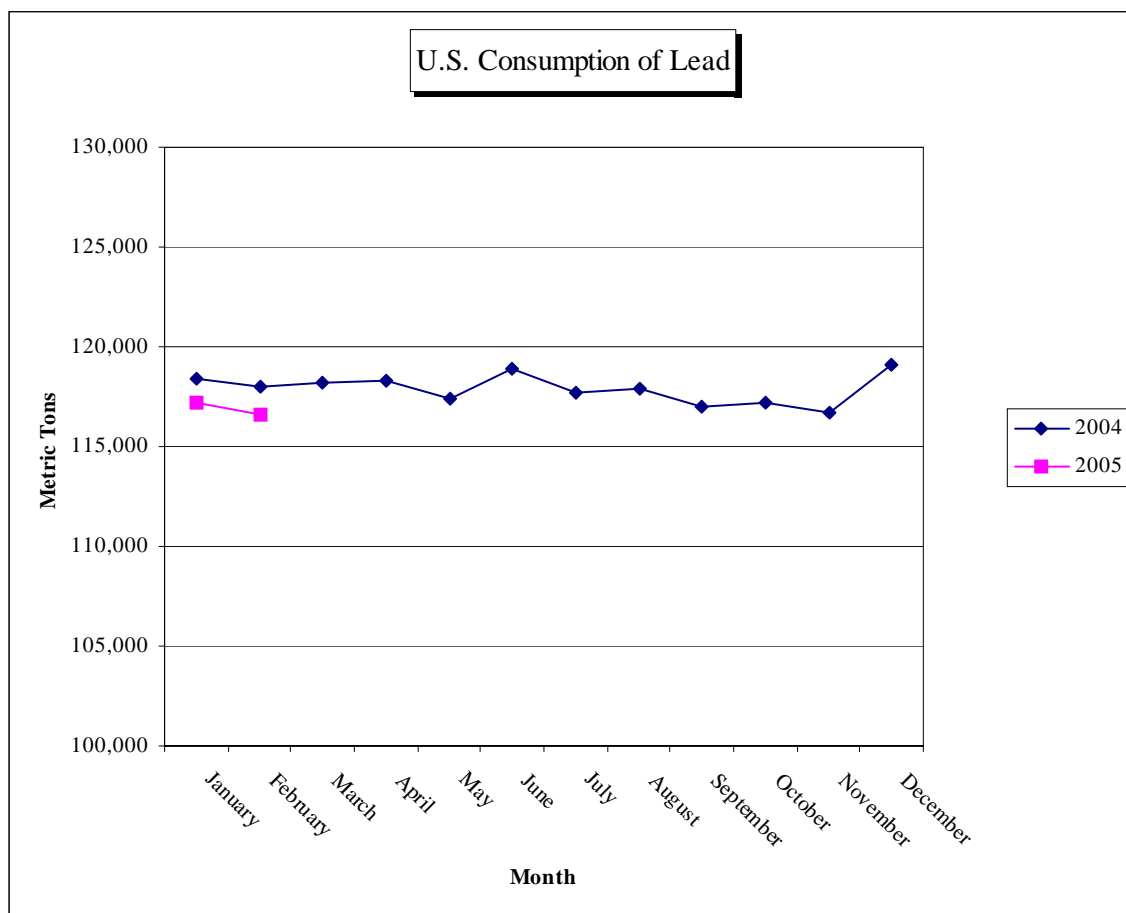


TABLE 6  
CONSUMER AND SECONDARY SMELTER STOCKS, RECEIPTS,  
AND CONSUMPTION OF LEAD<sup>1</sup>

(Metric tons, lead content)

Type of material	Stocks	Net	Consumption	Stocks
	January 31, 2005			February 28, 2005
Soft lead	34,300 <sup>r</sup>	62,900	62,900	34,300
Antimonial lead	16,700	30,800	30,900	16,600
Lead alloys	W	W	W	W
Copper-base scrap	W	W	W	W
Total	66,600 <sup>r</sup>	113,000	113,000	66,600

<sup>r</sup>Revised. W Withheld to avoid disclosing company proprietary data; included in "Total."

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

TABLE 7  
U.S. EXPORTS OF LEAD, BY CLASS<sup>1</sup>

(Metric tons)

	2004		2005
	December <sup>r</sup>	Year <sup>r</sup>	January
Lead content:			
Ore and concentrates	12,600	292,000	12,300
Bullion	5	129	24
Materials excluding scrap	5,680	82,400	7,330
TEL/TML preparations, based on lead compounds	298	1,020	117
Total	18,600	375,000	19,700
Gross weight: Scrap	5,160	56,300	4,410

<sup>r</sup>Revised.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.

TABLE 8  
U.S. IMPORTS OF LEAD BY TYPE OF MATERIALS AND BY COUNTRY OF ORIGIN<sup>1</sup>

(Metric tons, lead content)

Country of origin	General imports				Imports for consumption			
	2004		2005		2004		2005	
	Year	January	December	January	Year	January	December	January
Base bullion:								
Mexico	3	--	--	--	3	--	--	--
Other	--	--	--	2	--	--	--	2
Total	3	--	--	2	3	--	--	2
Pigs and bars:								
Australia	--	--	--	--	13,700	--	--	--
Canada	166,000	12,300	17,200	17,200	166,000	12,300	17,200	17,200
China	2	2	--	--	2	2	--	--
Germany	309 <sup>r</sup>	--	30	30	309 <sup>r</sup>	--	30	30
Mexico	8,810 <sup>r</sup>	337	247	247	8,810 <sup>r</sup>	337	247	247
Other	8,270 <sup>r</sup>	381	961	961	8,410 <sup>r</sup>	381	961	961
Total	183,000 <sup>r</sup>	13,000	18,500	18,500	197,000 <sup>r</sup>	13,000	18,500	18,500
Grand total	183,000 <sup>r</sup>	13,000	18,500	18,500	197,000 <sup>r</sup>	13,000	18,500	18,500

<sup>r</sup>Revised. -- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.